

# UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION 5 77 WEST JACKSON BOULEVARD CHICAGO, IL 60604-3590

February 12, 2021

# VIA E-MAIL DELIVERY RECEIPT REQUESTED

Robert J. Squiers PGP Corporation d/b/a/ Voss Industries and Voss Taylor 7925 Beech Daly Road Taylor, Michigan 48180

Email: rjsquiers@vossindustries.com

Dear Mr. Squiers:

Enclosed is a file-stamped Consent Agreement and Final Order (CAFO) which resolves Voss Industries, docket no. <u>CAA-05-2021-0008</u>. As indicated by the filing stamp on its first page, we filed the CAFO with the Regional Hearing Clerk on <u>February 12, 2021</u>.

Pursuant to paragraph 71 of the CAFO, Voss must pay the civil penalty within 30 days of the filing date. Your check or electronic funds transfer must display the case name and case docket number.

Please direct any questions regarding this case to Matthew Dawson, Associate Regional Counsel, (312) 886-4360.

Sincerely,

Digitally signed by SARAH MARSHALL Date: 2021.02.04 08:19:44 -06'00' SARAH MARSHALL

Sarah Marshall, Chief Air Enforcement and Compliance Assurance Section (MI/WI)

Enclosure

cc: Ann Coyle, Regional Judicial Officer/via electronic mail Regional Hearing Clerk/via electronic mail Matthew Dawson/via electronic mail Jenine Camilleri/via electronic mail

## UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION 5

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In the Matter of:

PGP Corp. d/b/a Voss Industries Taylor, Michigan

Respondent.

**Docket No. CAA-05-2021-0008** 

Proceeding to Assess a Civil Penalty Under Section 113(d) of the Clean Air Act, 42 U.S.C. § 7413(d)

# **Consent Agreement and Final Order**

## **Preliminary Statement**

1. This is an administrative action commenced and concluded under Section 113(d) of the Clean Air Act (the CAA), 42 U.S.C. § 7413(d), and Sections 22.1(a)(2), 22.13(b) and 22.18(b)(2) and (3) of the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits (Consolidated Rules), as codified at 40 C.F.R. Part 22.

2. Complainant is the Director of the Enforcement and Compliance Assurance Division, U.S. Environmental Protection Agency (EPA), Region 5.

3. Respondent is PGP Corp. d/b/a Voss Industries and Voss Taylor, a corporation doing business in the state of Michigan.

4. Where the parties agree to settle one or more causes of action before the filing of a complaint, the administrative action may be commenced and concluded simultaneously by the issuance of a consent agreement and final order (CAFO). 40 C.F.R. § 22.13(b).

5. The parties agree that settling this action without the filing of a complaint or the adjudication of any issue of fact or law is in their interest and in the public interest.

6. Respondent consents to the assessment of the civil penalty specified in this CAFO and to the terms of this CAFO.

#### Jurisdiction and Waiver of Right to Hearing

7. Respondent admits the jurisdictional allegations in this CAFO and neither admits nor denies the factual allegations in this CAFO.

Respondent waives its right to request a hearing as provided at 40 C.F.R.
 § 22.15(c), any right to contest the allegations in this CAFO and its right to appeal this CAFO.

#### **Statutory and Regulatory Background**

9. Section 110 of the CAA, 42 U.S.C. § 7410, requires each state to adopt and submit to EPA a plan that provides for the implementation, maintenance, and enforcement of primary and secondary National Ambient Air Quality Standards in the state. Upon approval by EPA, the plan becomes part of the applicable State Implementation Plan (SIP) for the state.

10. On May 6, 1980, EPA approved the Permits to Install requirements at Michigan Administrative Code R 336.1201 as part of the federally enforceable Michigan SIP. 45 *Fed. Reg.* 29790.

11. R 336.1201(1) provides that a person shall not install, construct, relocate, or alter any process or control equipment pertaining thereto, which may be a source of an air contaminant, until a permit to install is issued. The rule further provides that a permit to install shall cover construction, reconstruction, relocation, and alteration of equipment where such is involved. A person planning to install, construct, reconstruct, relocate, or alter any such equipment shall apply to the commission for a permit to install and shall provide the information required in Rule 203.

12. Pursuant to 40 C.F.R. § 52.23, failure to comply with any approved regulatory provision of a SIP shall render the person so failing to comply in violation of a requirement of an

applicable implementation plan and subject to enforcement action under Section 113 of the CAA, 42 U.S.C. § 7413.

13. Section 502(a) of the CAA, 42 U.S.C. § 7661a(a), provides that it is unlawful for any person to, among other things, operate a major source subject to Title V of the CAA except in compliance with a Title V permit after the effective date of any permit program approved or promulgated under Title V of the CAA.

14. Pursuant to Section 502(b) of the CAA, 42 U.S.C. § 7661a(b), EPA promulgated regulations establishing the minimum elements of a Title V permit program to be administered by any air pollution control agency. 57 *Fed. Reg.* 32295. These regulations are codified at 40 C.F.R. Part 70.

15. EPA granted full approval to the Michigan Title V operating permit program on December 4, 2001. 66 *Fed. Reg.* 62949. The program became effective on November 30, 2001. The Michigan regulations governing the Title V permit program, also known as the "renewable operating permit program," are codified at R 336.1210 through R 336.1219.

16. 40 C.F.R. § 70.7(b) provides that no Title V source may operate after the time that it is required to submit a timely and complete application except in compliance with a Title V permit issued under an approved permit program. *See also* R. 336.1210(1).

17. 40 C.F.R. § 70.2 defines "major source," in part, as any stationary source that emits or has the potential to emit 10 tons per year (TPY) or more of any hazardous air pollutant (HAP) which has been listed pursuant to Section 112(b) of the CAA. *See also* R. 336.1211(a)(i).

18. 40 C.F.R. § 70.2 defines "potential to emit" as the maximum capacity of a stationary source to emit any air pollutant under its physical or operational design. Any physical or operational limitation on the capacity of a source to emit an air pollutant, including air

pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as part of its design if the limitation is enforceable by the Administrator.

19. Section 503 of the CAA, 42 U.S.C. § 7661b, and 40 C.F.R. § 70.5(a), set forth the requirement to submit a timely, accurate, and complete permit application for a permit, including information required to be submitted with the application. *See also* R 336.1210 and R 336.1212.

20. Section 112(c) of the CAA, 42 U.S.C. § 7412(c), requires EPA to promulgate a list of all categories and subcategories of major sources and area sources of HAP and establish emissions standards for the categories and subcategories. These emission standards are known as the National Emission Standards for Hazardous Air Pollutants (NESHAP). The purpose of the NESHAP is to ensure that all sources achieve the maximum degree of reduction in emission of HAP that EPA determines is achievable for each source's category.

21. Pursuant to Section 112(b) of the CAA, 42 U.S.C. § 7412(b), EPA designates HAPs which present or may present a threat of adverse effects to human health or the environment. Section 112(b) of the CAA, 42 U.S.C. § 7412(b), lists hydrochloric acid (HCl) as a HAP.

22. Pursuant to Section 112(c) of the CAA, EPA promulgated a list of categories and subcategories of major sources of the air pollutants listed pursuant to Section 112(b) of the CAA, 42 U.S.C. § 7412(b)

23. Pursuant to Section 112(d) of the CAA, 42 U.S.C. § 7412(d), EPA promulgated regulations implementing the NESHAP at 40 C.F.R. Part 63.

24. Section 112(a) of the CAA, 42 U.S.C. § 7412(a), and 40 C.F.R. § 63.2 define "major source" as any stationary source or group of stationary sources located within a

contiguous area and under common control that emits or has the potential to emit considering controls, in the aggregate, 10 TPY or more of any HAP or 25 TPY or more of any combination of HAPs.

25. Section 112(i)(3) of the CAA, 42 U.S.C. § 7412(i)(3), and 40 C.F.R. § 63.4, prohibit the owner or operator of any source from operating such source in violation of any NESHAP applicable to such source.

26. The NESHAP, at 40 C.F.R. Part 63, Subpart A, contains general provisions applicable to the owner or operator of any stationary source that contains an affected source subject to the NESHAP at 40 C.F.R. Part 63. These general provisions include the definitions at 40 C.F.R. § 63.2

27. 40 C.F.R. § 63.2, defines "affected source" as the collection of equipment, activities, or both within a single contiguous area and under common control that is included in a CAA Section 112(c) source category or subcategory for which a Section 112(d) standard or other relevant standard is established pursuant to Section 112 of the CAA.

28. 40 C.F.R. § 63.2, defines "existing source" as any affected source that is not a new source.

29. 40 C.F.R. § 63.2 defines "potential to emit" as the maximum capacity of a stationary source to emit a pollutant under its physical and operational design. Any physical or operational limitation on the capacity of the stationary source to emit a pollutant, including air pollution control equipment and restrictions on hours of operation or on the type or amount of material combusted, stored, or processed, shall be treated as part of its design if the limitation or the effect it would have on emissions is federally enforceable.

On June 22, 1999, EPA promulgated the NESHAP for Steel Pickling – HCl
 Process Facilities and Hydrochloric Acid Regeneration Plants (Pickling NESHAP), codified at
 40 C.F.R. Part 63, Subpart CCC. 64 *Fed. Reg.* 33218.

31. 40 C.F.R § 63.1160(a)(1) provides that the "owner or operator of an affected existing steel pickling facility and/or hydrochloric acid regeneration plant subject to this subpart shall achieve initial compliance with the requirements of this subpart no later than June 22, 2001."

32. 40 C.F.R. § 63.1155(a)(1) provides that the provisions of the Pickling NESHAP apply to all new and existing steel pickling facilities or plants that are major sources of HAP and pickle carbon steel using HCl solution that contains 6 percent or more by weight HCl and is at a temperature of 100 degrees Fahrenheit or higher.

33. 40 C.F.R. § 63.1155(b) provides that, for the purposes of implementing the subpart, the affected sources at a facility or plant subject to this subpart include continuous pickling lines and hydrochloric acid storage vessels.

34. 40 C.F.R. § 63.1156 defines "continuous pickling line" as the collection of equipment and tanks configured for pickling metal strip, rod, wire, tube, or pipe that is passed through an acid solution in a continuous or nearly continuous manner and rinsed in another tank or series of tanks to remove residual acid. This definition includes continuous spray towers.

35. 40 C.F.R. § 63.1156 defines "hydrochloric acid storage vessel" as a stationary vessel used for the bulk containment of virgin or regenerated hydrochloric acid.

36. On March 21, 2011, EPA promulgated the NESHAP for Major Sources: Industrial, Commercial, and Institutional Boilers and Process Heaters (Boiler NESHAP), codified at 40 C.F.R. Part 63, Subpart DDDDD. 76 *Fed. Reg.* 15664. The Boiler NESHAP

applies to new and existing industrial boilers and process heaters located at major stationary sources of HAPs.

37. 40 C.F.R § 63.7495(b) requires the owner or operator of an existing affected source subject to this subpart achieve initial compliance with the requirements of this Boiler NESHAP no later than January 31, 2016.

38. 40 C.F.R. § 63.7485 provides that the provisions of the Boiler NESHAP apply to owners or operators of an industrial, commercial, or institutional boiler or process heater as defined in 40 C.F.R. § 63.7575 that is located at, or is part of, a major source of HAP, except as specified in 40 C.F.R. § 63.7491.

39. 40 C.F.R. § 63.7490(a)(1) provides that an existing affected source, as defined for the Boiler NESHAP, is the collection at a major source of all existing industrial, commercial, and institutional boilers and process heaters within a subcategory as defined in 40 C.F.R.§ 63.7575.

40. 40 C.F.R. § 63.7490(d) defines a boiler or process heater as existing if it is not new or reconstructed.

41. 40 C.F.R. § 63.7490(d) defines a boiler or process heater as new if construction of the units commenced after June 4, 2010.

42. 40 C.F.R. § 63.7490(c) defines a boiler or process heater as reconstructed if the criteria defined in 63.2 are met, reconstruction commenced after June 4, 2010, and the applicability criteria is met at the time reconstruction commenced.

43. 40 C.F.R. § 63.7575 defines an industrial boiler as a boiler used in manufacturing, processing, mining, and refining or any other industry to provide steam, hot water, and/or electricity.

44. Section 113(d)(1) of the CAA, 42 U.S.C. § 7413(d)(1), authorizes the Administrator of EPA (the Administrator) to issue an order assessing a civil penalty whenever, among other things, the Administrator finds that any person has violated or is violating a requirement or prohibition of an applicable SIP, NESHAP, or Title V permit.

45. The Administrator may assess a civil penalty of up to \$48,762 per day of violation up to a total of \$390,092 for violations that occurred after November 2, 2015, pursuant to Section 113(d)(1) of the CAA, 42 U.S.C. § 7413(d)(1), and 40 C.F.R. Part 19.

46. Section 113(d)(1) of the CAA limits the Administrator's authority to matters where the first alleged date of violation occurred no more than 12 months prior to initiation of the administrative action, except where the Administrator and the Attorney General of the United States jointly determine that a matter involving a longer period of violation is appropriate for an administrative penalty action.

47. The Administrator and the Attorney General of the United States, each through their respective delegates, have determined jointly that an administrative penalty action is appropriate for the period of violations alleged in this CAFO.

#### **Factual Allegations and Alleged Violations**

48. At all times relevant to this Complaint, Respondent was the owner or operator of a steel pickling facility at 7925 Beech Daly Road, Taylor, Michigan (the Facility).

49. Respondent is a corporation authorized to do business in Michigan.

50. Respondent is a "person," as that term is defined in Section 302(e) of the CAA,42 U.S.C. § 7602(e).

51. Respondent operates two industrial natural gas fired boilers, Boiler #1 (installed in 1974) and Boiler #2 (installed in 1992), rated at 500 HP (22 MMBtu/hour) and 250 HP (8.369 MMBtu/hour), respectively.

52. Respondent operates a continuous steel pickling line consisting of HCl tanks and a water spray rinse tank connected in series. Steel strip is uncoiled and pulled through a heated liquid bath containing a concentration of six percent or more by weight HCl at a temperature of 100 degrees Fahrenheit or higher.

53. Respondent installed two fresh acid storage tanks in the year 1997. The tanks hold 36% by weight HCl solution at a capacity of 17,968 gallons each.

54. The two fresh acid storage tanks are process equipment which may be a source of an air contaminant.

55. Respondent did not obtain a permit to install prior to installing the two fresh acid storage tanks.

56. From at least 1997 to July 23, 2018, Respondent operated the process equipment, consisting of two fresh acid storage tanks, without a permit to install.

57. By installing the two 17,968-gallon fresh acid storage tanks without a permit to install, Respondent violated the Michigan SIP requirement at R 336.1201(1).

58. On June 1, 2017, Respondent conducted an HCl stack test at the pickling line HCl scrubber stack.

59. The results of this test indicated that Respondent's pickling line had the potential to emit HCl in an amount greater than 10 TPY.

60. Because it emitted or had the potential to emit 10 TPY or more of HCl, the Facility was a "major source" of HAP, as defined at 40 C.F.R. §§ 63.2 and 70.2, from at least June 22, 2001, until July 24, 2018.

61. Because it emitted or had the potential to emit 10 TPY or more of HCl, the Facility was a "major source" of HAP, and Respondent was subject to the requirements of Title V of the Act, 42 U.S.C. §§ 7661 *et seq.*, from November 30, 2001, until July 24, 2018.

62. By operating the Facility without a Title V operating permit (Michigan Renewable Operating Permit), Respondent violated the Title V requirements at 40 C.F.R. § 70.7(b) and Section 502 of the CAA from November 30, 2001, until July 24, 2018.

63. Because it emitted or had the potential to emit 10 TPY or more of HCl, the Facility was a "major source" of HAP, and Respondent was subject to the requirements of the Pickling NESHAP, 40 C.F.R. Part 63, Subpart CCC, from June 22, 2001, until July 24, 2018.

64. From June 22, 2001, until July 24, 2018, Respondent failed to comply with applicable requirements of the Pickling NESHAP, which include a complete scrubber operation and maintenance plan (40 C.F.R. § 63.1160(b)), requirements to demonstrate initial and continuous compliance with emission limits (40 C.F.R. §§ 63.1160(a), 63.1161(a) and (b), 63.1162(a)(1)), operating limits (40 C.F.R. § 63.1162(a)(2)), work practice standards (40 C.F.R. § 63.1160(b)), and recordkeeping (40 C.F.R. §§ 63.1165(a)–(c), 63.1162(b)) and reporting requirements (40 C.F.R. §§ 63.1163(a)(2), 63.1163(d)–(e), 63.1164(a)) associated with the Facility's pickling line, in violation of Section 112(i)(3) of the CAA, 42 U.S.C. § 7412(i)(3), and 40 C.F.R. § 63.4.

65. Because it emitted or had the potential to emit 10 TPY or more of HCl, the Facility was a "major source" of HAP, and Respondent was subject to the requirements of the

Boiler NESHAP, 40 C.F.R. Part 63, Subpart DDDDD, from January 31, 2016, until July 24, 2018

66. From January 31, 2016, until July 24, 2018, Respondent failed to comply with the applicable requirements of the Boiler NESHAP, which include the completion of a boiler energy assessment (40 C.F.R. § 63.7500, Table 3), required regular boiler tune-ups (40 C.F.R. §§ 63.7500(e), 63.7515(d)) and other work practice standards (40 C.F.R. §§ 63.7500(a)), submission of compliance notifications (40 C.F.R. § 63.7545(e)), and submission of boiler tune-up compliance reports (40 C.F.R. §§ 63.10(a)(5), 63.7550(b), (63.7550(h)(3)), in violation of Section 112(i)(3) of the CAA, 42 U.S.C. § 7412(i)(3), and 40 C.F.R. § 63.4.

67. On September 8, 2017, EPA issued to Respondent a Notice of Violation and Finding of Violation ("NOV/FOV") giving notice of the violations alleged above and offering Respondent an opportunity to confer with EPA.

68. On November 6, 2017, EPA and Respondent held a conference to discuss the September 8, 2017 NOV/FOV.

69. On July 24, 2018, MDEQ issued Permit to Install (PTI) 133-17A to Respondent. PTI 133-17A covers, among other things, the pickling line, the two fresh acid storage tanks, and associated process equipment. PTI 133-17A contains practically enforceable requirements that limit the Facility's HAP emissions to below the major source levels of 10 TPY or more of any HAP or 25 TPY or more of any combination of HAPs.

#### **Civil Penalty**

70. Based on analysis of the factors specified in Section 113(e) of the CAA,
42 U.S.C. § 7413(e), the facts of this case, cooperation, and prompt return to compliance,
Complainant has determined that an appropriate civil penalty to settle this action is \$48,366.

71. Within 30 days after the effective date of this CAFO, Respondent must pay a

\$48,366 civil penalty by an on-line payment. To pay on-line, go to <u>www.pay.gov</u>. Use the

Search Public Forms option on the tool bar and enter SFO 1.1 in the search field. Open the form

and complete the required fields.

72. Respondent must send a notice of payment that states Respondent's name and the docket number of this CAFO to EPA at the following addresses when it pays the penalty:

Air Enforcement and Compliance Assurance Branch U.S. Environmental Protection Agency, Region 5 <u>r5airenforcement@epa.gov</u>

Matthew Dawson Office of Regional Counsel U.S. Environmental Protection Agency, Region 5 <u>Dawson.mathew@epa.gov</u>

Regional Hearing Clerk (E-19J) U.S. Environmental Protection Agency, Region 5 <u>r5hearingclerk@epa.gov</u>

73. This civil penalty is not deductible for federal tax purposes.

74. If Respondent does not pay timely the civil penalty, EPA may request the Attorney General of the United States to bring an action to collect any unpaid portion of the penalty with interest, nonpayment penalties and the United States enforcement expenses for the collection action under Section 113(d)(5) of the CAA, 42 U.S.C. § 7413(d)(5). The validity, amount and appropriateness of the civil penalty are not reviewable in a collection action.

75. Respondent must pay the following on any amount overdue under this CAFO. Interest will accrue on any overdue amount from the date payment was due at a rate established by the Secretary of the Treasury pursuant to 26 U.S.C. § 6621(a)(2). Respondent must pay the United States enforcement expenses, including but not limited to attorneys' fees and costs incurred by the United States for collection proceedings. In addition, Respondent must pay a quarterly nonpayment penalty each quarter during which the assessed penalty is overdue. This nonpayment penalty will be 10 percent of the aggregate amount of the outstanding penalties and nonpayment penalties accrued from the beginning of the quarter. 42 U.S.C. § 7413(d)(5).

#### **General Provisions**

76. The parties consent to service of this CAFO by e-mail at the following valid email addresses: <u>dawson.matthew@epa.gov</u> (for Complainant), and <u>rjsquiers@vossindustries.com</u> (for Respondent).

77. This CAFO resolves only Respondent's liability for federal civil penalties for the violations alleged in this CAFO.

78. The CAFO does not affect the rights of EPA or the United States to pursue appropriate injunctive or other equitable relief or criminal sanctions for any violation of law.

79. This CAFO does not affect Respondent's responsibility to comply with the CAA and other applicable federal, state and local laws. Except as provided in paragraph 77, above, compliance with this CAFO will not be a defense to any actions subsequently commenced pursuant to federal laws administered by EPA.

80. Respondent certifies that it is complying fully with PTI 133-17A, including conditions limiting the Facility's potential to emit below the major source threshold.

81. This CAFO constitutes an "enforcement response" as that term is used in EPA's Clean Air Act Stationary Civil Penalty Policy to determine Respondent's "full compliance history" under Section 113(e) of the CAA, 42 U.S.C. § 7413(e).

82. The terms of this CAFO bind Respondent, its successors and assigns.

83. Each person signing this consent agreement certifies that he or she has the authority to sign for the party whom he or she represents and to bind that party to its terms.

- 84. Each party agrees to bear its own costs and attorney's fees in this action.
- 85. This CAFO constitutes the entire agreement between the parties.

PGP Corp. d/b/a Voss Industries, Respondent

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Date

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Robert J. Squiers, General Counsel PGP Corporation d/b/a Voss Industries and Voss Taylor

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# United States Environmental Protection Agency, Complainant

MICHAEL HARRIS Date: 2021.02.10 16:58:15 -06'00'

Michael D. Harris Division Director Enforcement and Compliance Assurance Division U.S. Environmental Protection Agency, Region 5

# Consent Agreement and Final Order In the Matter of: PGP Corp. d/b/a Voss Industries Docket No. CAA-05-2021-0008

# Final Order

This Consent Agreement and Final Order, as agreed to by the parties, shall become effective

immediately upon filing with the Regional Hearing Clerk. This Final Order concludes this

proceeding pursuant to 40 C.F.R. §§ 22.18 and 22.31. IT IS SO ORDERED.

ANN COYLE Date: 2021.02.12 09:26:51 -06'00'

Date

Ann L. Coyle Regional Judicial Officer U.S. Environmental Protection Agency Region 5 Consent Agreement and Final Order In the matter of: Voss Industries Docket Number: CAA-05-2021-0008

## **CERTIFICATE OF SERVICE**

I certify that I served a true and correct copy of the foregoing **Consent Agreement and Final Order**, docket number <u>CAA-05-2021-0008</u>, which was filed on <u>February 12, 2021</u>, in the following manner to the following addressees:

Copy by E-mail to Respondent: Robert J. Squiers rjsquiers@vossindustries.com

Copy by E-mail to Attorney for Complainant: Matthew Dawson dawson.matthew@epa.gov

Copy by E-mail to Regional Judicial Officer:

Ann Coyle coyle.ann@epa.gov

Dated:

LaDawn Whitehead Regional Hearing Clerk U.S. Environmental Protection Agency, Region 5